

A-45011/03/2024-Coord.II
Government of India
Ministry of Finance
(Department of Economic Affairs)

New Delhi, 01 August, 2024

OFFICE MEMORANDUM

The undersigned is directed to circulate herewith the unclassified portion of Monthly Summary on important policy decisions in respect of Department of Economic Affairs for the Month of June, 2024.


(Susruta Samanta)

Deputy Secretary to the Government of India
Tel No. 2309- 5244

To

1. All Members of the Union Council of Ministers, Government of India, New Delhi.
2. Vice Chairman, Niti Aayog, Yojna Bhawan, New Delhi.
3. Cabinet Secretary, Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
4. Secretary to the President of India, Rashtrapati Bhavan, New Delhi.
5. Secretary to the Vice-President of India, 6, Maulana Azad Road, New Delhi.
6. Principal Secretary to the Prime Minister, PMO, South Block, New Delhi
7. Chairman, Union Public Service Commission, Dholpur House, New Delhi.
8. All Members of Niti Aayog, Yojna Bhawan, New Delhi.
9. Secretaries to all the Ministries/Departments, Government of India, New Delhi.
10. PS to MOS (F), PPS to Finance Secretary, PPS to Secretary (EA), PPS to Secretary (Revenue), PPS to Secretary (Expenditure), PPS to Secretary (DIPAM).
11. Shri V. Anantha Nageswaran, Chief Economic Adviser, DEA.
12. Additional Secretary, Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
13. Shri Manoj Sahay, AS&FA(Finance).
14. Ms. Aparna Bhatia, Advisor(Admn./Coord./ C&C)
15. Ms. Manisha Sinha, AS(OMI/Crypto assets and Fund Bank)
16. All Heads of Divisions in Department of Economic Affairs.
JS(IPP/JS(ISD)/JS(Inv)/JS(Budget)JS(FM)/All Advisers/CAAA
17. Shri Rajesh Malhotra, DG (M&C), M/o Finance, North Block, New Delhi.
18. Guard File – 2024.

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Subject: Monthly Summary on important policy decisions pertaining to Department of Economic Affairs (DEA) for the month of June, 2024.

1. Important policy decisions taken and major achievements during the month:

Macroeconomic Overview:

Global economic growth remained on a gradual ascent with waning fears of recession. Nevertheless, while most of the major economies continued to exhibit resilience and register strong rebound in growth, many others lagged behind resulting in diverging growth trajectories around the world. Except for the recent escalation of the conflict in West Asia, the volatility and uncertainty on account of geopolitical tensions also appeared to be diminishing.

Leading indicators suggested an upturn in global economic activity. The global manufacturing PMI remained above 50 mark in June 2024 with upturns in both the consumer and intermediate goods industries. The pressure on global supply chains also eased, thereby reducing logistical challenges. However, input cost inflation accelerated to 16-month high. New export orders fell for first time in three months and business optimism dipped to eight-month low. Subdued market conditions were a principal factor underlying a dip in manufacturers' business optimism to an eight-month low.

In contrast to a cautious assessment of the global scenario, the Indian economy continued to exhibit strong economic performance with broad-based growth across sectors.

The manufacturing sector maintained its momentum, supported by sustained profitability and pick-up in rural demand. As per the latest available Index of Industrial Production (IIP) for April 2024, consumer durables emerged as a standout performer, registering an impressive growth rate of 9.8 per cent, reflecting consumer optimism.

The Monetary Policy Committee of the Reserve Bank of India (RBI), in its meeting conducted on 7th June 2024, kept the policy repo rate unchanged at 6.5 per cent and decided to remain focused on withdrawal of accommodation.

2. Important Developments:

- (i) The Union Cabinet during its meeting on 19th June, 2024, approved the new Framework on **Currency Swap Arrangement for SAARC Countries 2024-27** for a period of 3 years with effect from 19th June, 2024. The new framework replaces the existing Framework which was available for the years 2019-2022.
- (ii) Hon'ble Finance Minister chaired series of Pre-Budget consultations for Union Budget 2024-25, starting from 19th June 2024 till 5th July, 2024.
 - a) As part of these consultations Hon'ble Finance Minister chaired a **Pre-Budget Meeting (FY 2024-25)** with Finance Ministers and Finance Secretaries of all State & Union Territories (with legislature) on 22nd June, 2024.
 - b) During the course of these in-person consultations, **more than 120 invitees across 10 stakeholder groups** participated in the meetings, including experts and representatives from farmer associations & agriculture economists; trade unions; education & health sector; employment & skilling; MSME; trade & services; industry; economists; financial sector & capital markets; as well as, infrastructure, energy and urban sector.
- (iii) Hon'ble Finance Minister's vote (ballot) for 2024 regular **elections of Executive Directors of International Monetary Fund (IMF)** was conveyed to Office of ED India for onward communication to IMF Secretariat.
- (iv) The following important meetings were held/attended at the official level:
 - a) Secretary Economic Affairs and Secretary MeitY co-chaired the **third meeting of the Strategic Advisory Committee of the CSIRT-Fin, CERT-In** on 3rd June 2024. The meeting *inter alia* discussed CSIRT-Fin updates, cyber security posture of Financial Sector, Strategic roadmap and milestones to be achieved by CSIRT-Fin in next six months and the directions from the Strategic Advisory Committee.

- b) **The final mission meetings for the Financial Sector Assessment Program (FSAP)** exercise for India, which is jointly conducted by IMF and World Bank (WB), once in 5 years, were organised in June, 2024. The FSAP is a comprehensive and in-depth analysis of a country's financial sector, which has two main components (1) the financial stability assessment and (2) the financial development assessment. **The main and closing mission commenced from 3rd June, 2024 where FSAP team held detailed discussions on the subjects of MSME Finance, Capital Markets, NBFCs, systemic liquidity, role of state, climate risk, etc. with regulators, private sector organisations, standard setting bodies (SSBs), etc.** It was followed by in-person meetings with state and central government authorities in Delhi from 11th June onwards including Debt Recovery Tribunal (DRT), Employee Provident Fund Organisation (EPFO), Invest India, etc. The concluding meeting of the mission was held on 24th June, 2024.
- c) The **Sub-Committee of Technical Group on Financial Inclusion and Financial Literacy (TGFIFL)** held its first meeting on 7th June, 2024 in Mumbai, for formulation of National Strategy for Financial Inclusion (NSFI) 2.0.
- d) The **third G20 International Financial Architecture Working Group (IFA WG) meeting**, co-chaired by France and Korea was held on 10th – 12th June, 2024 in Fortaleza, Brazil and the **third G20 Framework Working Group (FWG) meeting**, co-chaired by India and the UK, was held on 24th – 25th June, 2024 in Brussels, Belgium wherein progress on the key IFA WG and FWG deliverables for 2024 was discussed.
- e) **India-EU Bilateral investment Treaty (BIT) negotiations** on dispute settlement were held on 12th and 14th June, 2024.
- f) **AIIB Board of Directors** met virtually for Budget and Human Resource Committee meeting on 12th June, 2024 and for Strategy Committee meeting on 17th June, 2024.
- g) The **Plenary meeting under Financial Stability Board** was held virtually on 14th June, 2024 wherein Financial Stability outlook, Securitisation evaluation, future of NBFIs work, updated on Crypto agenda etc. were discussed.

- h) The **125th session of the Evaluation Committee of IFAD** was held virtually on 19th June, 2024.
 - i) **India-Cambodia BIT negotiations** were held on 20th June, 2024.
 - j) The **147th Screening Committee Meeting** for Externally Aided projects was held on 21st June, 2024.
 - k) **NDB Board Directors** met virtually for Budget & Human Resources and Compliance (BHRC) Committee meeting and Audit & Risk Committee (ARC) meeting on 21st June, 2024.
 - l) **Inter - Ministerial Committee (IMSC) meeting on Lines of Credit (LOC)** supported under Indian Development and Economic Assistance Scheme (IDEAS) was held on 25th June, 2024 and discussed various aspects in respect of the Memorandum of Understanding on Debt Restructuring for Government of Sri Lanka under negotiation between the Official Creditor Committee and Sri Lanka.
 - m) **India - Oman BIT negotiations** were held virtually on 25th-26th June, 2024.
 - n) **Memorandum of Understanding on Debt Restructuring for Sri Lanka** was signed by Sri Lankan authorities and representatives of the Co-chairs of the Official Creditor Committee (viz., India, Japan and France) on 26th June, 2024.
- (v) The following **loan agreements were signed** with multilateral/ bilateral development agencies:
- a) Loan of USD 100 million from International Fund for Agricultural Development (IFAD) for "Competitiveness Improvement of Agriculture and Allied Sectors Project in Jammu and Kashmir (JKCIP)".
 - b) Loan of Euro 300 million from European Investment Bank (EIB) for Bangalore Suburban Railway Project.
- (vi) The following important issue was discussed at the **Executive Board of International Monetary Fund (IMF)**:
- a) Sri Lanka - 2024 Article IV Consultation and Second Review under the Extended Fund Facility, Request for Modification of Performance Criterion, and Financing Assurances Review.

- b) Bangladesh - Second Review under the Extended Credit Facility/Extended Fund Facility and Resilience and Sustainability Facility
 - c) Republic of Madagascar - Request for an Arrangement under the Extended Credit Facility and Cancellation of the Current Arrangement under the Extended Credit Facility and Request for an Arrangement under the Resilience and Sustainability Facility.
 - d) Union of the Comoros - Second Review under the Extended Credit Facility Arrangement and Request for a Waiver of Non observance of a Performance Criterion.
 - e) Central African Republic - Second Review under the Extended Credit Facility.
- (vii) Fifteen officers were inducted on promotion into the **Indian Economic Service** against the vacancy year 2023.

3. Minimum Government, Maximum Governance

The use of ICT in submission of information is being encouraged.

4. Non-Compliance of ACC directions/orders: NIL

5. Number of Externally Aided Projects cleared by the DEA's Screening Committee during June, 2024: 08

6. Details of FDI proposals cleared during the month and status of FDI proposals awaiting approval in the Department:

Number of proposals cleared	:	01
Awaiting Approval in the Department	:	09